



COMMONWEALTH OF VIRGINIA

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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To: State Retiree Health Benefits Program Participants Who Are Not Eligible for Medicare

From: Mary Habel, Director
Office of Health Benefits

Date: March 31, 2006

Re:

- Open Enrollment
- Your Monthly Premium Rates Effective July 1, 2006
- Important Retiree Group News and Updates

Recipients of this Package - Retiree group participants receiving this package include Retirees, Survivors, Virginia Sickness and Disability Program Long Term Disability (LTD) Participants and some eligible dependents who are covered separately from their spouse or parent, most of whom are not eligible for Medicare. (Some Medicare-eligible retiree group participants in family coverage may participate in the COVA Care plan, with Medicare as the primary coverage.)

Open Enrollment - From April 14 through May 15, you have the opportunity to review and make changes to your health plan and membership, including adding or removing dependents and changing your COVA Care optional benefits. Enrollees who live in the Kaiser Permanente HMO service area (in Northern Virginia) may also elect Kaiser coverage. All Open Enrollment changes will become effective on July 1, 2006.

If you wish to maintain your current plan and membership level, you do not need to take any action. Your new monthly premium (see page two) will automatically be deducted or billed. **If you need to make a plan or membership change, see page two, Making Open Enrollment Changes, for more information.**

New High Deductible Health Plan Available July 1 - Non-Medicare Eligible Retiree Group participants will have a **new plan** available to them starting July 1. The new **COVA HDHP (High Deductible Health Plan)** may be elected during this Open Enrollment period. This new consumer-driven health plan offering provides the opportunity for participants to be more involved in managing their health care dollars. Enrollment in the COVA HDHP may also allow you to establish a Health Savings Account (HSA) with your bank or other financial institution. However, before considering enrollment, be sure to that you understand all of the provisions of this type of coverage. Your enclosed **Open Forum** provides more detail.

If you are currently enrolled in the COVA Care plan, but Medicare is your primary coverage, the COVA HDHP will not be an available option.

Enhanced COVA Care Benefits - Wellness benefits will be enhanced to cover 100% of the allowable charge for well-child services (through age 6), one annual routine wellness visit (ages seven and older) and routine wellness lab, immunizations and x-rays up to \$500 per plan year (ages seven and older--increased from \$200). Preventive care will also be covered at 100% of the allowable charge for one screening per plan year, including pap tests, mammograms, PSA tests and colonoscopies. Finally, there will no longer be a waiting period for orthodontic coverage if you elect the optional Expanded Dental benefit.

Kaiser Members - Other than the change in premium, there will be no benefit changes under the Kaiser Permanente Plan that is available in its Northern Virginia service area.

New Premium Rates - Listed below are **monthly premium costs that will become effective on July 1, 2006**. If your premium is currently deducted from your VRS retirement annuity and the premium increase results in your retirement payment no longer being sufficient to support the deduction of your monthly premium, direct billing will automatically begin in June for your July premium. Keep in mind that, due to administrative differences, direct billing occurs in advance of the coverage month, while annuity-deducted premiums are collected in arrears, so you will generally be billed for a two-month premium when you transition to direct billing.

<i>Plan</i>	<i>Single Premium</i>	<i>Two-Person Premium</i>	<i>Family Premium</i>
COVA Care Basic	\$418	\$774	\$1,131
COVA Care + Out-of-Network	\$428	\$787	\$1,149
COVA Care + Expanded Dental	\$430	\$798	\$1,167
COVA Care + Vision, Hearing and Expanded Dental	\$439	\$814	\$1,188
COVA Care + Out-of-Network and Expanded Dental	\$440	\$811	\$1,185
COVA Care + Out-of-Network and Vision, Hearing and Expanded Dental	\$449	\$827	\$1,205
New! – COVA HDHP	\$335	\$620	\$906
Kaiser Permanente HMO*	\$404	\$747	\$1,091

*Kaiser Permanente HMO is only available to participants who live in the Kaiser service area in Northern Virginia. If you are a current Kaiser member and do not live in its service area, you must make another plan selection. You may confirm the Kaiser service area by contacting Kaiser directly or going to the Kaiser Web site—see the *Plan Contact Information* on page five of this correspondence.

More Information Available—Meetings Scheduled - The Department of Human Resource Management's Office of Health Benefits will conduct Open Enrollment meetings at multiple locations for the purpose of discussing Open Enrollment information and answering Open Enrollment questions. Non-Medicare Eligible Retiree Group participants are invited to attend along with active employees. The new COVA HDHP (High Deductible Health Plan) will be a topic for discussion. A meeting schedule is provided on page six.

New COVA Care ID Cards - As requested by participants, COVA Care members will now have only **one identification (ID) card for all COVA Care benefits**. You will no longer have separate ID cards for medical, dental, prescription drug and behavioral health benefits. This means that all COVA Care Enrollees will receive a new ID card that can be presented to all health care providers starting July 1. Look for your new ID card in mid-June.

Current Kaiser Permanente members who maintain Kaiser coverage will not receive new ID cards.

Making Open Enrollment Changes - If you wish to make a plan or membership change during Open Enrollment, your completed Enrollment Form must be **received** by your Benefits Administrator no later than close of business on May 15, 2006. An Enrollment Form is enclosed for your use. If you need assistance in identifying your Benefits Administrator, see page one of the Enrollment Form or the enclosed *Plan Contact Information* on page five. **All Enrollment Forms must be signed by the eligible Enrollee.** The eligible Enrollee is the retiree, survivor or VSDP/LTD participant through whom eligibility for coverage is obtained—not by a covered dependent. Even those covered dependents who have separate/individual coverage, must have their Enrollment Forms signed by the Enrollee. Your Enrollment Form will not be accepted if it is not signed by the Enrollee. As an alternative to a paper Enrollment Form, Enrollees may also make changes using EmployeeDirect on the Web—just go to www.dhrm.virginia.gov and click on the EmployeeDirect link.

If you are interested in more information about **COVA Care optional benefits**, consult your current COVA Care Member Handbook. If you do not have a current Member Handbook, it is available on the web at www.dhrm.virginia.gov, or you may contact Anthem. If you would like information about the Kaiser Permanente HMO, contact Kaiser directly. Your *Plan Contact Information* on page five provides telephone numbers and Web site information.

Dependent Child Eligibility Rules Revised - Dependents otherwise eligible for coverage under the State Retiree Health Benefits Program currently must be claimed as dependents on the retiree group Enrollee's

federal income tax return. The new rule removes that requirement, allowing coverage as long as the retiree group Enrollee provides more than one-half of the child's support.

Making Changes Outside of Open Enrollment - After the Open Enrollment period, membership **increases** will only be allowed based on the occurrence of a consistent qualifying mid-year event (such as marriage or birth of a child). Of course, retiree group participants may **decrease** membership prospectively (going forward) at any time. Any membership change due to a qualifying mid-year event will also allow for a plan change. If you need more information about making changes to your health plan coverage, a good resource is Retiree Fact Sheet #4, *Making Changes*, which can be found on the Department of Human Resource Management Web site at www.dhrm.virginia.gov/hbenefits/retirees/nonmedicareretiree.html. Click on *Retiree Fact Sheets*.

Member Handbooks - All COVA Care and COVA HDHP retiree group Enrollees (including individually-covered dependents) will receive a Member Handbook in July. Kaiser members will receive a new Evidence of Coverage.

Medicare-Eligible Participants Under Age 65 - When a retiree group Enrollee (Retiree, Survivor, VSDP/LTD participant) or covered dependent becomes eligible for Medicare **prior to age 65**, an Enrollment Form must be submitted immediately to elect a Medicare-coordinating plan. It is the responsibility of the Enrollee to ensure adherence to this provision. Failure to do so could result in significant coverage deficits.

This is an important provision of the State Retiree Health Benefits Program. All participants who are eligible for Medicare, regardless of age, **must enroll in both Parts A and B** in order to get the full benefit of state Medicare supplemental coverage since Medicare becomes the primary payer of claims. If it is determined that a retiree group participant is eligible for Medicare and has not enrolled in a Medicare-coordinating plan, he or she will be placed in the Advantage 65 plan immediately. With the introduction of Medicare Part D, the Medicare prescription drug benefit, enrollment in a Medicare-coordinating plan immediately upon eligibility for Medicare has additional significance. The state program offers plans that include a Medicare Part D benefit.

The State Retiree Health Benefits Program will actively seek retraction of primary payments made in error on behalf of participants who are entitled to Medicare benefits but who have not reported that eligibility to their Benefits Administrator. Please do not overlook your responsibility to report your Medicare eligibility and to enroll in an Advantage 65 plan (or you may terminate your state program coverage) immediately upon eligibility for Medicare. If you fail to enroll in Medicare Parts A and B immediately upon your eligibility to do so, the Program will pay claims on a secondary basis as though you had the Medicare coverage to which you were entitled. Failure to enroll in Medicare Part D immediately upon eligibility could result in higher Part D premiums when you enroll at a later date, and electing a state Medicare-coordinating plan that does not include prescription drug coverage precludes future enrollment in any state-sponsored Medicare-coordinating prescription drug coverage.

Becoming Eligible for Medicare During the Open Enrollment Period - Approximately three months before their 65th birthday, retiree group participants, including covered dependents, receive information about options for selecting a Medicare-coordinating plan available through the State Retiree Health Benefits Program. At that time, if an election is not made, Medicare-eligible members are placed in the Advantage 65 plan. This process continues during the Open Enrollment period, so some members will receive both a Medicare plan enrollment package and an Open Enrollment package. If you become eligible for Medicare prior to or on July 1, your Medicare plan election will supersede any Open Enrollment election. If you become eligible for Medicare after July, you may make an Open Enrollment election for July 1, and your Medicare plan election will take place on the first of the appropriate month after July.

Prompt Payment of Premiums - Plan participants are responsible for timely payment of their monthly premiums (either through annuity deduction or by direct payment to the carrier). Participants who pay directly to the carrier (Anthem or Kaiser) receive monthly bills or coupons which indicate when premium payments are due. Monthly premiums that remain unpaid for 31 days after the due date will result in termination of coverage. Claims during any period for which premium payment is due but not received will be suspended until payment in full has been received or coverage is terminated for non-payment. This includes prescription drug benefits. Resubmission of any denied claims may be required once payment is made. Once an Enrollee and his/her dependents have been terminated for non-payment of premiums, re-enrollment in the program is not allowed except in extreme circumstances and at the discretion of the Department of Human Resource Management.

Participants are responsible for understanding their premium obligation and for notifying their Benefits Administrator within 31 days of any qualifying mid-year event that affects eligibility and/or membership level. Premium overpayments due to failure of the Enrollee to advise the program of membership reductions may result in loss of the overpaid premium amount.

Automatic Bank Draft of Premiums - Retiree group participants who are billed directly by Anthem may have their premiums automatically deducted from their bank account instead of having to write a monthly premium check. Also, Anthem is now able to accept on-line payments from your checking or savings account when you are a registered [anthem.com](http://www.anthem.com) member. To register, go to www.anthem.com, Virginia site. Please contact Anthem (see page five) to obtain enrollment materials for participation in the Automatic Bank Draft program or for more information on the on-line check payment process.

Address Changes - **Was this package forwarded to you from an old address?** If so, be sure to contact your Benefits Administrator immediately to make an address correction. Failure to update your address can result in your missing important information about your health benefits program or not receiving your new ID cards. The Department of Human Resource Management will not be responsible for information that participants miss because their address of record is incorrect. The Department's only means of communicating important information to retiree group participants is through the mail. Please let your Benefits Administrator know when you move! You may also change your address by using EmployeeDirect on the Web at www.dhrm.virginia.gov—click on the EmployeeDirect link.

Who is my Benefits Administrator? - Retiree group participants should contact their Benefits Administrator with any questions relating to program administration or eligibility. (Benefits Administrators are not able to assist with claims or direct billing information.) For most retiree group participants, the Virginia Retirement System (VRS) acts as Benefits Administrator—see page five. However, local and optional retirement plan retirees and survivors continue to use their pre-retirement agency's Benefits Administrator.

Additional Resources – Page References:

- Plan Contact Information (page 5)
- Women's Health and Cancer Rights Notice (page 5)
- Open Enrollment Meeting Schedule (page 6)

Enclosures:

- Enrollment Form
- **Open Forum** Newsletter

PLAN CONTACT INFORMATION

If you have questions regarding claims or participating providers, contact:

<i>Benefit</i>	<i>Contact This Administrator</i>
<ul style="list-style-type: none">• COVA Care Medical• COVA Care Optional Vision and Hearing• COVA HDHP (all benefits)	<u>Anthem Blue Cross and Blue Shield</u> 1-800-552-2682 TDD: 1-804-354-4327 (Richmond) or 1-800-554-7752 Web site: www.anthem.com <u>BlueCard Worldwide</u> (for assistance outside of the US) 1-800-810-BLUE (2583) Web site: www.bcbs.com
<ul style="list-style-type: none">• COVA Care Behavioral Health or Employee Assistance Program	Value Options, Inc. 1-866-725-0602 Web site: www.achievesolutions.net/covacare
<ul style="list-style-type: none">• COVA Care Dental	Delta Dental Plan of Virginia 1-888-335-8296 Web site: www.deltadentalva.com
<ul style="list-style-type: none">• COVA Care Prescription Drugs	Medco Health Solutions, Inc. 1-800-355-8279 Web site: www.medco.com
<ul style="list-style-type: none">• Kaiser Permanente HMO	Kaiser Foundation Health Plan of the Mid-Atlantic States 1-800-777-7902 or 1-301-468-6000 (in Washington, DC) Web site: http://my.kaiserpermanente.org/mida/commonwealthofvirginia/

If you have questions about eligibility and enrollment, contact:

<i>If You Are A:</i>	<i>Contact This Benefits Administrator</i>
Virginia Retirement System Retiree/Survivor or a VSDP Long Term Disability Program Participant	The Virginia Retirement System 804/649-8059 (in Richmond) 1-888-827-3847 www.varetire.org
Local or Optional Retirement Plan Retiree or Survivor	Your Pre-Retirement Agency Benefits Administrator

The Department of Human Resource Management Web site also has information about the State Retiree Health Benefits Program. Go to www.dhrm.virginia.gov.

Notice

Women's Health and Cancer Rights

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedemas.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan.

Open Enrollment Meeting Schedule

All meetings will begin at 3:00 PM

<i>Date</i>	<i>Location</i>	<i>Address</i>
April 10	Richmond	VDOT Auditorium* 1221 East Broad Street
April 11	Harrisonburg	James Madison University 111 University Service Building 181 Patterson Street
April 12	Roanoke	Virginia Western Community College Whitman Auditorium Business Science Building 3095 Colonial Avenue, SW
April 13	Abingdon	Virginia Highlands Community College Auditorium – Room 605 Learning Resources Center State Route 372 (off Route 140)
April 13	Fredericksburg	Germanna Community College Fredericksburg Campus Seal Auditorium, Room 134 10000 Germanna Point Drive
April 17	Portsmouth	Tidewater Community College Portsmouth Campus, Theater 700 College Drive
April 18	Annandale	Northern Virginia Community College The Forum Ernst Community Cultural Center 4001 Wakefield Chapel Road
April 20	Richmond	J. Sargeant Reynolds Community College The Gallery, Building B, Room 101 1651 East Parham Road
April 21	Chester	John Tyler Community College Nicholas Center, Room N102-B 13101 Jefferson Highway

*This meeting will also be broadcast to VDOT locations in Bristol, Culpeper, Fredericksburg, Suffolk, Lynchburg, Chantilly, Colonial Heights, Salem and Staunton. For more information, go to www.dhrm.virginia.gov, or contact your Benefits Administrator (listed on page 5).